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INCLUSIVE DESIGN IN ACTION

January 2023

A case study: using inclusive design to create a fair transition to net zero



In Spring 2022, a Participatory Action Research (PAR) group of professional researchers and consumers with lived experience of the energy poverty premium worked in partnership on proposals that explore what a fair transition to net zero for low income consumers could look like.

Participatory Action Research (PAR) involves professional researchers and people with lived experience of an issue (peer researchers) working as equal partners. PAR is founded on the premise that systems, services and policies are more effective when designed with those with direct experience of the problem to be solved.

Toynbee Hall was commissioned by Fair By Design to run the project. Thirteen peer researchers and 38 people with lived experience of the energy poverty premium participated in the project. Ofgem and Fair By Design played an advisory role at each stage.

WHAT IS INCLUSIVE DESIGN?

Inclusive design is the practice of designing products and services so that everyone can use them. For essential services such as energy, credit, insurance and payments, it means regulators, government and businesses working to make sure that all consumers can access the products and services they need. It involves designing out barriers to access that create exclusion, inequality and unfairness in markets.

It's a simple idea:

Essential services should be designed so all consumers are able to access and use the products and services they need, at a fair price.

What is the purpose of inclusive design?



STAGE ONE

Understanding the barriers of transitioning to net zero for low income consumers

During stage one of the research, our 13 peer researchers explored the issues that affect low income consumers' ability to transition to net zero.

Key issues were:

1. Awareness of how to transition to a net zero household is low.
2. The cost of 'green' choices can be too high.
3. Private and social tenants are not in a position to be able to make green household adaptations.
4. There are social and financial barriers to the adoption of smart technologies.
5. Energy companies need to better identify and support vulnerable consumers.

The transition to net zero was seen as an opportunity to create a future energy system that is inclusive, and a market where low income consumers could actively engage with and benefit from the transition. However, without tackling the issues noted, the transition to net zero risks exacerbating existing inequalities in the energy market and leaving low income consumers behind.

"If I was more middle class, more affluent, I would go green with everything. But sadly, it's the economics that come into it. I have to weigh up what's good for me...and what's better for the planet." (peer researcher)



STAGE TWO

Co-creating recommendations

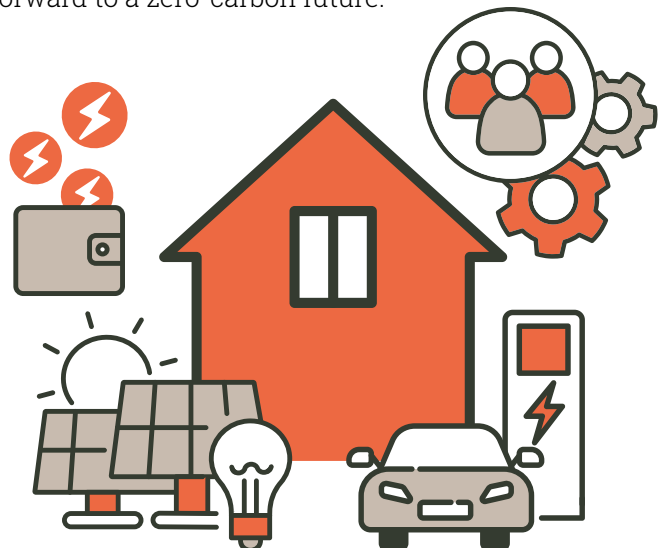
In stage two, our peer researchers worked with 38 people with lived experience of the energy poverty premium to gather further insight and co-create solutions to enable a fair transition to net zero for low income consumers.

Key recommendations were:

1. Energy suppliers should offer low income customers a green social tariff.
2. Ofgem should introduce Key Performance Indicators to monitor energy companies' approach to identifying and supporting vulnerable consumers through the net zero transition.
3. Ofgem should convene a working group of energy companies, tenant representatives and landlords (both social and private) to co-design ways for tenants to have access to green household adaptations.
4. Ofgem should develop a green empowerment strategy to increase consumer trust and confidence in smart technology.
5. Ofgem should spearhead inclusive communication practices in the sector and initiate a campaign targeted at supporting low income consumers to make green choices.

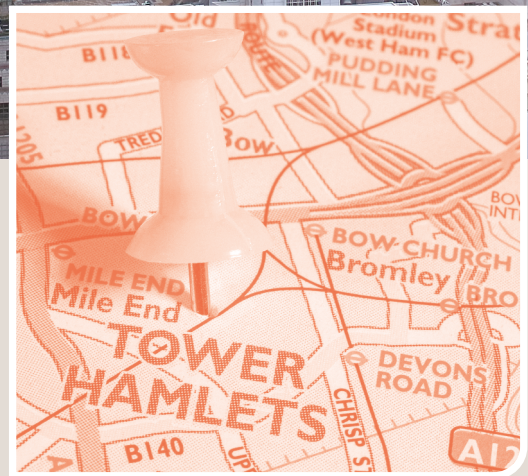
These recommendations show the high level of support needed to allow all consumers to transition to net zero. Using a PAR group for this work demonstrates the effectiveness of using participatory policymaking to foresee and tackle unfairness in the sector as we move forward to a zero-carbon future.

"We don't know a lot [about net zero] because it's given to us in an inaccessible way, like the information regarding everything." (person with lived experience of the energy poverty premium)



CASE STUDY

The benefit of including people with lived experience in the design process



Name: Nasrat

Age: 40

Home: Tower Hamlets, London

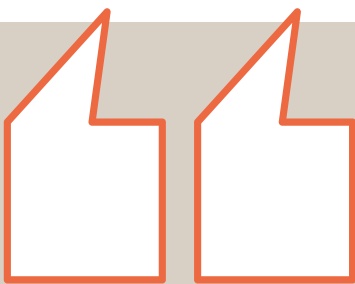
“Like many people in Tower Hamlets, I am working but struggling. That’s why I work as a peer researcher, because of my background. I want things to change for the better and to make people’s lives easier.

Working with Ofgem was good because I learned a lot that I didn’t know about who has power. Who has power over energy companies? What can Ofgem do, what can the government do? I didn’t know, I was just a consumer who used electricity. I learned a lot about the changes that’s going to happen in the future, like the role of smart meters, and that there’s an ongoing process to move to net zero.

If they change things and put in place what we recommended, it will make people’s lives much easier. How energy companies are running now doesn’t work. They work as a business that doesn’t take care of customers. If Ofgem puts these recommendations in place that will make the businesses run better and will benefit the customer.”

CONCLUSION

What is clear from the PAR process is that regulators, businesses and government cannot afford to ignore low income consumers. The findings from the PAR show how important it is to have inclusive design at the forefront of policy. Including people with lived experience of an issue within policy creation and decision-making is the best way to deliver a market that works for all consumers.



At Ofgem we have enjoyed being involved with the Participatory Action Research Project from start to finish. As a regulator it is essential we listen to the perspective of consumers from all incomes and backgrounds. This project has allowed us to do this. Working on this project, and hearing the thoughts and insights into how the transition to net zero can be just, has been very interesting for myself and Ofgem staff. Ultimately we want to work with many consumers to create a fairer energy system, and this project has helped us to do that."

Martin Campbell, Head of Consumer Vulnerability and Debt, Ofgem

Find out more about inclusive design, including practical guides on how regulators and firms can include inclusive design in their policy making.



Find out more about this PAR initiative




ANNEX

THE INCLUSIVE DESIGN PROCESS

January 2022

Ofgem, Fair By Design and Toynbee Hall form a partnership to explore the challenges facing low income consumers in the transition to net zero.




February 2022

The PAR group of 13 peer researchers with experience of the energy poverty premium is established.



March 2022

The PAR group explores the key issues they face in accessing energy and how the move to net zero could affect them.




April 2022

The PAR group meets Ofgem's consumer vulnerability staff to discuss the transition to net zero.




April 2022

The PAR group designs solutions-focused research questions. Ofgem and Fair By Design provide feedback.



April/May 2022

The PAR group conducts workshops with 38 research participants to gather insight and then co-design proposals.



June/July 2022

The PAR group finalises findings and proposals and presents to Ofgem's team.



Beyond the project

The PAR group takes part in a variety of opportunities to share its findings and proposals with stakeholders in the energy sector.



About Fair By Design

Fair By Design is dedicated to reshaping essential services such as energy, credit, insurance and payments so that they don't cost more if you're poor – also known as the poverty premium.

We collaborate with regulators, government and industry to design out the poverty premium. Fair By Design's Venture Fund provides capital/funding to grow new scalable ventures to innovate the market and design out the poverty premium. Ascension manages the Fair By Design Fund.



For any queries, please email FairByDesign@barrowcadbury.org.uk



Fair By Design is managed by the Barrow Cadbury Trust on behalf of a group of foundations.

Charity number: 1115476. Registered in England No: 5836950.



About Toynbee Hall

Based in the East End of London since 1884, Toynbee Hall works with the local community and a wide range of partners to shape a fairer and happier future. We offer high quality advice and support, and engage with communities to have a more meaningful say over the things that affect them and shape platforms for social change. We ensure that people affected by systemic issues are involved in designing effective and sustainable policy solutions.